

## SUMMARY OF REGULAR POLICY CHANGES FISCAL YEAR 2008-09

| POLICY<br>CHG. NO. | CATEGORY & TITLE                               | TOTAL FUNDS          | FEDERAL FUNDS        | STATE FUNDS          |
|--------------------|--|----------------------|----------------------|----------------------|
| <b>ELIGIBILITY</b> |  |                      |                      |                      |
| 1                  | FAMILY PLANNING INITIATIVE                     | \$440,681,000        | \$308,273,400        | \$132,407,600        |
| 2                  | BREAST AND CERVICAL CANCER TREATMENT           | \$131,956,000        | \$69,989,400         | \$61,966,600         |
| 3                  | CHDP GATEWAY - PREENROLLMENT                   | \$18,678,000         | \$12,140,700         | \$6,537,300          |
| 4                  | BRIDGE TO HFP                                  | \$18,908,000         | \$12,290,200         | \$6,617,800          |
| 5                  | REFUGEES                                       | \$6,442,000          | \$0                  | \$6,442,000          |
| 6                  | PE FOR HFP DISENROLLEES                        | \$5,166,080          | \$2,583,040          | \$2,583,040          |
| 7                  | ELIG. FOR CHILDREN IN MONTH PRIOR TO SSI/SSP ( | \$928,950            | \$464,480            | \$464,470            |
| 8                  | SHIFT OF CCS STATE/COUNTY COSTS TO MEDI-CAL    | \$1,500,000          | \$750,000            | \$750,000            |
| 9                  | BCCTP RETROACTIVE COVERAGE                     | \$7,820              | \$5,090              | \$2,740              |
| 10                 | SB 437 - SELF-CERTIFICATION                    | \$22,848,710         | \$11,424,360         | \$11,424,360         |
| 13                 | STATE-FUNDED KINGAP                            | \$0                  | -\$35,000            | \$35,000             |
| 15                 | ACCELERATED ENROLLMENT-SCHIP TITLE XXI         | \$0                  | \$0                  | \$0                  |
| 16                 | NEW QUALIFIED ALIENS                           | \$0                  | -\$129,893,000       | \$129,893,000        |
| 17                 | RESOURCE DISREGARD - % PROGRAM CHILDREN        | \$0                  | \$34,656,450         | -\$34,656,450        |
| 145                | REINSTATE QUARTERLY STATUS REPORTS FOR PA      | -\$17,247,000        | -\$8,623,500         | -\$8,623,500         |
| 146                | REDUCE CEC AND RESTORE QUARTERLY STATUS F      | -\$167,063,360       | -\$83,531,680        | -\$83,531,680        |
|                    | <b>ELIGIBILITY SUBTOTAL</b>                    | <b>\$462,806,200</b> | <b>\$230,493,930</b> | <b>\$232,312,280</b> |
| <b>BENEFITS</b>    |  |                      |                      |                      |
| 18                 | ADULT DAY HEALTH CARE - CDA                    | \$407,265,000        | \$203,632,500        | \$203,632,500        |
| 19                 | LOCAL EDUCATION AGENCY (LEA) PROVIDERS         | \$175,000,000        | \$175,000,000        | \$0                  |
| 20                 | MULTIPURPOSE SENIOR SERVICES PROGRAM-CDA       | \$50,516,000         | \$25,258,000         | \$25,258,000         |
| 21                 | HUMAN PAPILLOMAVIRUS VACCINE                   | \$4,796,130          | \$2,398,070          | \$2,398,070          |
| 22                 | PRENATAL SCREENING EXPANSION                   | \$418,380            | \$209,190            | \$209,190            |
| 23                 | HOME TOCOLYTIC THERAPY                         | \$4,299,060          | \$2,149,530          | \$2,149,530          |
| 24                 | CONLAN V. BONTA                                | \$3,896,000          | \$1,948,000          | \$1,948,000          |
| 25                 | NEWBORN HEARING SCREENS EXPANSION              | \$2,572,180          | \$1,286,090          | \$1,286,090          |
| 26                 | GENETIC DISEASE TESTING FEE INCREASE           | \$141,080            | \$70,540             | \$70,540             |
| 27                 | NF A/B LEVEL OF CARE GROWTH                    | \$3,120,000          | \$1,560,000          | \$1,560,000          |
| 28                 | SELF-DIRECTED SERVICES WAIVER - CDDS           | \$7,175,000          | \$7,175,000          | \$0                  |
| 29                 | MONEY FOLLOWS THE PERSON DEMONSTRATION C       | \$4,063,000          | \$2,985,500          | \$1,077,500          |
| 30                 | NEW SERVICES FOR NF/AH & IHO WAIVERS           | \$32,240             | \$16,120             | \$16,120             |
| 31                 | CDSS SHARE OF COST PAYMENT FOR IHSS            | \$0                  | -\$4,056,500         | \$4,056,500          |
| 32                 | FAMILY PACT STATE ONLY SERVICES                | \$0                  | -\$2,500,000         | \$2,500,000          |
| 33                 | SCHIP FUNDING FOR PRENATAL CARE                | \$0                  | \$114,651,750        | -\$114,651,750       |
| 34                 | MONEY FOLLOWS THE PERSON DEMONSTRATION S       | -\$4,182,000         | -\$2,091,000         | -\$2,091,000         |
| 35                 | EXPANSION OF NF/AH WAIVER (SB 643)             | \$201,000            | \$100,500            | \$100,500            |
| 36                 | ADULT DAY HEALTH CARE REFORMS                  | -\$9,544,080         | -\$4,772,040         | -\$4,772,040         |
| 136                | UNSPECIFIED BUDGET REDUCTION                   | -\$644,900,000       | -\$313,000,000       | -\$331,900,000       |
| 143                | DISCONTINUE ADULT SPEECH THERAPY SERVICES      | -\$900,000           | -\$450,000           | -\$450,000           |

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| <b><u>BENEFITS</u></b>       |  |                         |                       |                       |
| 144                          | DISCONTINUE ADULT CHIROPRACTIC SERVICES      | -\$757,120              | -\$378,560            | -\$378,560            |
| 148                          | DISCONTINUE ADULT ACUPUNCTURE SERVICES       | -\$5,679,740            | -\$2,839,870          | -\$2,839,870          |
| 149                          | DISCONTINUE ADULT PSYCHOLOGY SERVICES        | -\$502,660              | -\$251,330            | -\$251,330            |
| 150                          | DISCONTINUE ADULT PODIATRY SERVICES          | -\$3,383,300            | -\$1,691,650          | -\$1,691,650          |
| 154                          | DISCONTINUE ADULT OPTOMETRY/OPTOMETRIST S    | -\$2,070,000            | -\$1,035,000          | -\$1,035,000          |
| 155                          | DISCONTINUE ADULT OPTICIAN/OPTICAL LAB SERVI | -\$12,319,100           | -\$6,159,550          | -\$6,159,550          |
| 156                          | DISCONTINUE ADULT AUDIOLOGY SERVICES         | -\$3,100,000            | -\$1,550,000          | -\$1,550,000          |
| 157                          | DISCONTINUE ADULT OPTIONAL DENTAL SERVICES   | -\$229,900,000          | -\$114,950,000        | -\$114,950,000        |
|                              | <b>BENEFITS SUBTOTAL</b>                     | <b>-\$253,742,930</b>   | <b>\$82,715,290</b>   | <b>-\$336,458,220</b> |
| <b><u>PHARMACY</u></b>       |  |                         |                       |                       |
| 37                           | HIV/AIDS PHARMACY PILOT PROGRAM              | \$0                     | -\$1,327,500          | \$1,327,500           |
| 38                           | NON FFP DRUGS                                | \$0                     | -\$487,000            | \$487,000             |
| 39                           | ENTERAL NUTRITION PRODUCTS                   | -\$9,879,680            | -\$4,939,840          | -\$4,939,840          |
| 40                           | NEW THERAPEUTIC CATEGORY REVIEWS/REBATES     | -\$4,478,350            | -\$2,239,170          | -\$2,239,170          |
| 41                           | MEDICAL SUPPLY CONTRACTING                   | -\$6,019,300            | -\$3,009,650          | -\$3,009,650          |
| 42                           | MEDICAL SUPPLY REBATES                       | -\$5,500,000            | -\$2,750,000          | -\$2,750,000          |
| 43                           | DRUG REIMBURSEMENT REDUCTION                 | -\$4,668,500            | -\$2,334,250          | -\$2,334,250          |
| 44                           | AGED DRUG REBATE RESOLUTION                  | -\$9,000,000            | -\$4,514,000          | -\$4,486,000          |
| 45                           | FAMILY PACT DRUG REBATES                     | -\$34,047,000           | -\$20,279,400         | -\$13,767,600         |
| 46                           | DISPUTED DRUG REBATE RESOLUTIONS             | -\$40,000,000           | -\$20,250,400         | -\$19,749,600         |
| 47                           | STATE SUPPLEMENTAL DRUG REBATES              | -\$355,081,000          | -\$178,092,900        | -\$176,988,100        |
| 48                           | FEDERAL DRUG REBATE PROGRAM                  | -\$747,629,000          | -\$374,977,700        | -\$372,651,300        |
| 153                          | DISCONTINUE ADULT INCONTINENCE CREAMS & W/   | -\$9,370,000            | -\$4,685,000          | -\$4,685,000          |
|                              | <b>PHARMACY SUBTOTAL</b>                     | <b>-\$1,225,672,830</b> | <b>-\$619,886,820</b> | <b>-\$605,786,010</b> |
| <b><u>MANAGED CARE</u></b>   |  |                         |                       |                       |
| 54                           | MANAGED CARE INTERGOVERNMENTAL TRANSFER      | \$86,816,000            | \$43,408,000          | \$43,408,000          |
| 57                           | MANAGED CARE EXPANSION - SAN LUIS OBISPO     | \$2,606,000             | \$1,303,000           | \$1,303,000           |
| 58                           | MANAGED CARE EXPANSION - MARIN               | \$2,146,000             | \$1,073,000           | \$1,073,000           |
| 59                           | RISK PAYMENTS FOR MANAGED CARE PLANS         | \$8,000,000             | \$4,000,000           | \$4,000,000           |
| 60                           | COVERAGE FOR FORMER AGNEWS RESIDENTS         | \$6,493,000             | \$3,246,500           | \$3,246,500           |
| 62                           | MANAGED CARE EXPANSION - PLACER              | \$280,000               | \$140,000             | \$140,000             |
| 66                           | FFS COSTS FOR MANAGED CARE ENROLLEES         | \$0                     | \$0                   | \$0                   |
| 67                           | SBRHA CARVE-OUT OF AIDS DRUGS                | \$0                     | \$0                   | \$0                   |
| 162                          | REDUCTION TO MULTIPURPOSE SENIOR SERVICES    | -\$5,052,000            | -\$2,526,000          | -\$2,526,000          |
|                              | <b>MANAGED CARE SUBTOTAL</b>                 | <b>\$101,289,000</b>    | <b>\$50,644,500</b>   | <b>\$50,644,500</b>   |
| <b><u>PROVIDER RATES</u></b> |  |                         |                       |                       |
| 68                           | NF-B RATE CHANGES AND QA FEE                 | \$186,384,350           | \$93,192,180          | \$93,192,180          |
| 69                           | NON-CONTRACT HOSP. 10% INTERIM RATE RED.     | \$5,254,190             | \$2,627,090           | \$2,627,090           |

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| <b>PROVIDER RATES</b>      |  |                        |                        |                       |
| 70                         | LTC RATE ADJUSTMENT                          | \$58,581,960           | \$29,290,980           | \$29,290,980          |
| 71                         | ANNUAL MEI INCREASE FOR FQHCS/RHCS           | \$47,182,800           | \$23,591,400           | \$23,591,400          |
| 72                         | HOSPICE RATE INCREASES                       | \$14,837,060           | \$7,418,530            | \$7,418,530           |
| 73                         | NF/AH (NF A/B LOC) WAIVER CAP INCREASE       | \$8,846,460            | \$4,423,230            | \$4,423,230           |
| 74                         | DME REIMBURSEMENT CHANGES                    | \$1,246,710            | \$623,350              | \$623,350             |
| 137                        | FAMILY PLANNING RATE INCREASE                | \$126,796,000          | \$93,176,300           | \$33,619,700          |
| 147                        | REDUCTION TO PROVIDER PAYMENTS BY 10%        | -\$1,212,000,000       | -\$609,600,000         | -\$602,400,000        |
| 151                        | REDUCTION TO LTC PROVIDER PAYMENTS BY 10%    | -\$113,502,740         | -\$56,751,370          | -\$56,751,370         |
| 158                        | REDUCTION TO NON-CONTRACT HOSP BY 10%        | -\$60,065,690          | -\$30,032,840          | -\$30,032,840         |
|                            | <b>PROVIDER RATES SUBTOTAL</b>               | <b>-\$936,438,910</b>  | <b>-\$442,041,150</b>  | <b>-\$494,397,760</b> |
| <b>HOSPITAL FINANCING</b>  |  |                        |                        |                       |
| 75                         | HOSP FINANCING - DSH PMT                     | \$1,617,708,000        | \$1,032,579,500        | \$585,128,500         |
| 76                         | HOSP FINANCING - PRIVATE HOSPITAL DSH REPLAC | \$477,742,000          | \$238,871,000          | \$238,871,000         |
| 77                         | HOSP FINANCING - SAFETY NET CARE POOL        | \$407,821,000          | \$407,821,000          | \$0                   |
| 78                         | HOSP FINANCING - PRIVATE HOSPITAL SUPP PMT   | \$274,386,000          | \$137,193,000          | \$137,193,000         |
| 79                         | HOSP FINANCING-DPH PHYSICIAN & NON-PHYSICIAN | \$86,788,000           | \$86,788,000           | \$0                   |
| 80                         | HOSP FINANCING - HEALTH CARE COVERAGE INITIA | \$180,000,000          | \$180,000,000          | \$0                   |
| 81                         | HOSP FINANCING - STABILIZATION FUNDING       | \$24,200,000           | \$12,100,000           | \$12,100,000          |
| 82                         | HOSP FINANCING - SOUTH LA PRESERVATION FUND  | \$98,975,000           | \$98,975,000           | \$0                   |
| 83                         | HOSP FINANCING - DISTRESSED HOSPITAL FUND    | \$29,624,000           | \$14,812,000           | \$14,812,000          |
| 84                         | HOSP FINANCING - DPH INTERIM RECONCILIATION  | \$21,606,000           | \$21,606,000           | \$0                   |
| 85                         | HOSP FINANCING - CCS AND GHPP                | \$26,000,000           | \$26,000,000           | \$0                   |
| 86                         | HOSP FINANCING - DPH INTERIM RATE GROWTH     | \$48,291,000           | \$24,145,500           | \$24,145,500          |
| 87                         | HOSP FINANCING - NDPH SUPPLEMENTAL PMT       | \$3,800,000            | \$1,900,000            | \$1,900,000           |
| 88                         | HOSP FINANCING - MIA LTC                     | \$0                    | \$18,450,000           | -\$18,450,000         |
| 89                         | HOSP FINANCING - BCCTP                       | \$0                    | \$0                    | \$0                   |
| 90                         | BASE ADJUSTMENT - DPH INTERIM RATE           | \$0                    | \$488,429,500          | -\$488,429,500        |
| 152                        | REDUCTION TO HOSP. FINANCING-DPH SNCP BY 10' | -\$7,750,000           | \$0                    | -\$7,750,000          |
| 159                        | REDUCTION TO PRIVATE AND NDPH DSH PAYMENT    | -\$47,300,000          | -\$23,300,000          | -\$24,000,000         |
|                            | <b>HOSPITAL FINANCING SUBTOTAL</b>           | <b>\$3,241,891,000</b> | <b>\$2,766,370,500</b> | <b>\$475,520,500</b>  |
| <b>SUPPLEMENTAL PMNTS.</b> |  |                        |                        |                       |
| 92                         | CAPITAL PROJECT DEBT REIMBURSEMENT           | \$103,854,000          | \$52,927,000           | \$50,927,000          |
| 93                         | HOSPITAL OUTPATIENT SUPPLEMENTAL PAYMENT     | \$130,000,000          | \$130,000,000          | \$0                   |
| 94                         | IGT FOR NON-SB 1100 HOSPITALS                | \$100,000,000          | \$50,000,000           | \$50,000,000          |
| 95                         | FREESTANDING CLINICS & VETERANS' HOMES SUPP  | \$65,000,000           | \$65,000,000           | \$0                   |
| 96                         | FFP FOR LOCAL TRAUMA CENTERS                 | \$44,530,000           | \$22,265,000           | \$22,265,000          |
| 97                         | CERTIFICATION PAYMENTS FOR DP-NFS            | \$39,700,000           | \$39,700,000           | \$0                   |
| 98                         | DSH OUTPATIENT PAYMENT METHOD CHANGE         | \$10,000,000           | \$5,000,000            | \$5,000,000           |
| 99                         | SRH OUTPATIENT PAYMENT METHOD CHANGE         | \$8,000,000            | \$4,000,000            | \$4,000,000           |

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|----------------------------|--|------------------------|------------------------|-----------------------|
|                            | <b>SUPPLEMENTAL PMNTS.</b>                   |                        |                        |                       |
|                            | <b>SUPPLEMENTAL PMNTS. SUBTOTAL</b>          | <b>\$501,084,000</b>   | <b>\$368,892,000</b>   | <b>\$132,192,000</b>  |
|                            | <b>OTHER</b>                                 |                        |                        |                       |
| 111                        | HEALTHY FAMILIES - CDMH                      | \$28,071,000           | \$28,071,000           | \$0                   |
| 115                        | MINOR CONSENT SETTLEMENT                     | \$8,728,000            | \$0                    | \$8,728,000           |
| 119                        | TWO-PLAN MODEL NOTICES OF DISPUTE            | \$1,000,000            | \$0                    | \$1,000,000           |
| 121                        | ESTATE RECOVERY REGULATIONS                  | \$0                    | \$0                    | \$0                   |
| 122                        | ANTI-FRAUD EXPANSION FOR FY 2004-05          | \$0                    | \$0                    | \$0                   |
| 123                        | INDIAN HEALTH SERVICES                       | \$0                    | \$6,000,000            | -\$6,000,000          |
| 124                        | STATE-ONLY IMD ANCILLARY SERVICES            | \$0                    | -\$12,000,000          | \$12,000,000          |
| 125                        | CIGARETTE AND TOBACCO SURTAX FUNDS           | \$0                    | \$0                    | \$0                   |
| 126                        | ANTI-FRAUD EXPANSION FOR FY 2006-07          | \$0                    | \$0                    | \$0                   |
| 127                        | NON-INSTITUTIONAL PROVIDER OVERPAYMENTS      | \$0                    | -\$52,000,000          | \$52,000,000          |
| 128                        | ANTI-FRAUD EXPANSION FOR FY 2005-06          | \$0                    | \$0                    | \$0                   |
| 129                        | ANTI-FRAUD EXPANSION FOR FY 2008-09          | -\$29,929,390          | -\$14,964,690          | -\$14,964,690         |
| 130                        | MEDICAL SUPPORT ENHANCEMENTS                 | -\$2,005,390           | -\$1,002,700           | -\$1,002,700          |
| 131                        | ENHANCED RECOVERIES GENERATED BY DRA OF 2    | -\$1,986,000           | -\$993,000             | -\$993,000            |
| 133                        | EDS COST CONTAINMENT PROJECTS                | -\$2,680,510           | -\$1,340,260           | -\$1,340,260          |
| 134                        | ANTI-FRAUD EXPANSION FOR FY 2007-08          | -\$51,116,630          | -\$25,558,320          | -\$25,558,320         |
| 138                        | ICF-DD TRANSPORTATION AND DAY CARE COSTS- C  | \$44,000,000           | \$44,000,000           | \$0                   |
| 142                        | DISCONTINUE PART B PREMIUM FOR UNMET SOC B   | -\$100,200,000         | -\$50,100,000          | -\$50,100,000         |
| 160                        | REDUCTION TO PERSONAL CARE SERVICES (MISC.   | -\$201,579,000         | -\$201,579,000         | \$0                   |
| 161                        | REDUCTION TO MENTAL HEALTH DRUG MEDI-CAL-C   | -\$6,063,000           | -\$6,063,000           | \$0                   |
| 163                        | REDUCTION TO DEVEL. CTRS/STATE OP. SMALL FAC | -\$7,258,000           | -\$7,258,000           | \$0                   |
| 164                        | REDUCTION TO TCM AND HCBS WAIVERS-CDDS       | -\$95,221,000          | -\$95,221,000          | \$0                   |
|                            | <b>OTHER SUBTOTAL</b>                        | <b>-\$416,239,920</b>  | <b>-\$390,008,960</b>  | <b>-\$26,230,960</b>  |
|                            | <b>GRAND TOTAL</b>                           | <b>\$1,474,975,620</b> | <b>\$2,047,179,280</b> | <b>-\$572,203,670</b> |